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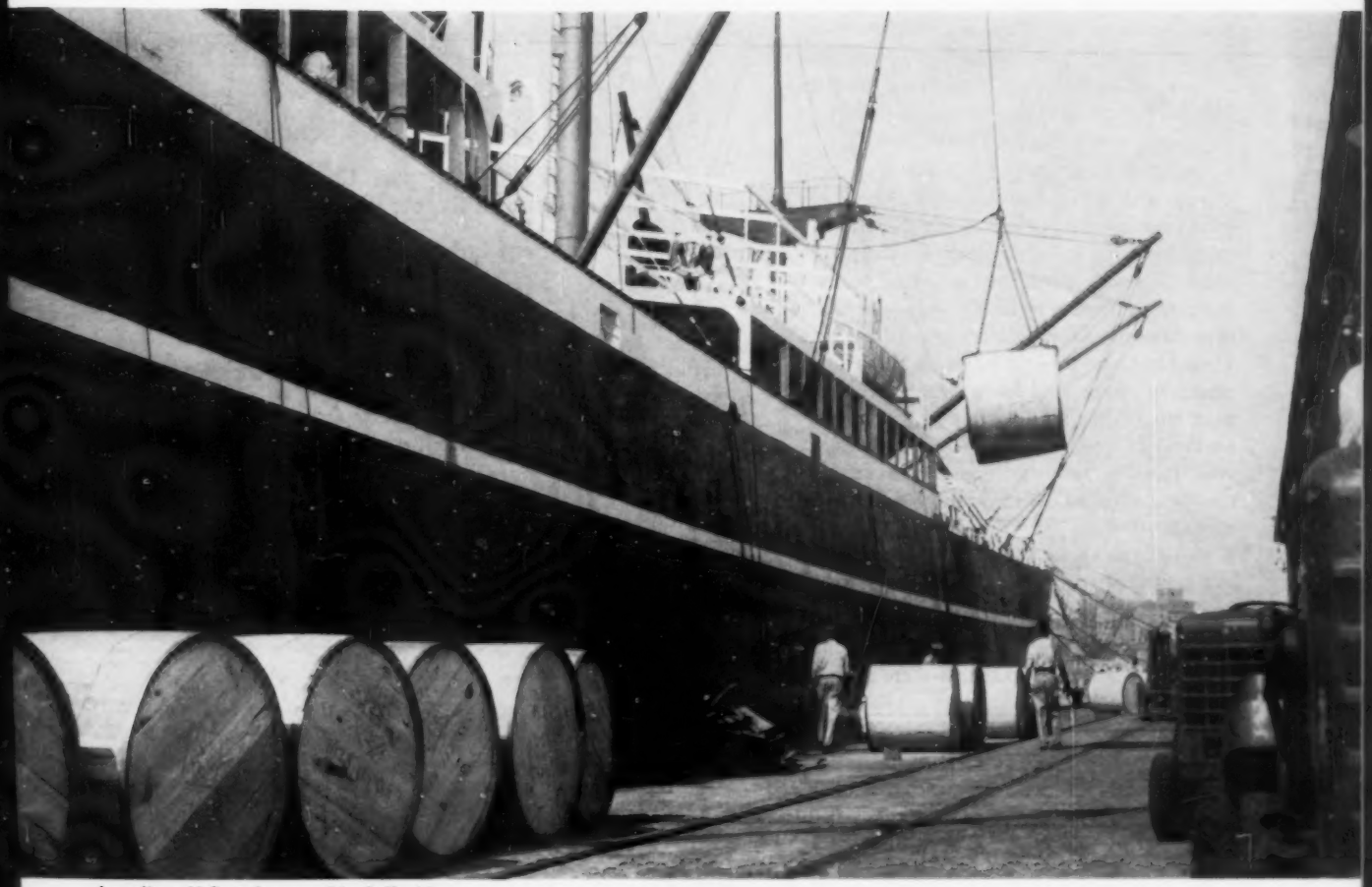

Loading U.S. tobacco, Norfolk, Va.

Our 350-Year-Old Tobacco Trade

The Food Situation in Cuba

Switzerland and the Common Market

UNITED STATES DEPARTMENT OF AGRICULTURE · FOREIGN AGRICULTURAL SERVICE

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World on Our Doorstep

This past month, to mark the 100th anniversary of the U.S. Department of Agriculture, the U.S. agricultural attachés from all over the world gathered in Washington for a 4-day meeting. There were 50 of them, representing as many countries, and this was the first time they had ever come together as a group, to lay world agriculture directly on our doorstep.

Practically everything that touched on agriculture and trade was discussed. The Latin American attachés talked about the Alliance for Progress and the continent's coffee problems. The men from Europe seemed to have one thing foremost in their minds—the Common Market. Africa's emerging nations were viewed as future markets for our farm products, especially wheat. And like a single thread running through the Far East session was that unanswerable question—Could these populous Asian nations ever come out ahead in their race between rising birth rates and food production?

There were also reports on the USSR and Communist China.

In the Soviet Union, farm production has been increasing, but at a much slower rate than either planned or anticipated. If there is to be any marked improvement, serious and deliberate steps must be taken soon

As for Communist China, this country is in the midst of an economic crisis, with stagnation, retrenchment, and shortages affecting every sector of the economy. Collectivization, plus two years of bad weather, has caused agricultural output to fall to dangerously low levels—and the outlook continues to be grim.

Cover Photograph

At the Norfolk terminal of a British tobacco company, U.S. leaf is loaded for shipment to the United Kingdom. The story of our tobacco trade—which goes back 350 years—begins on the opposite page.

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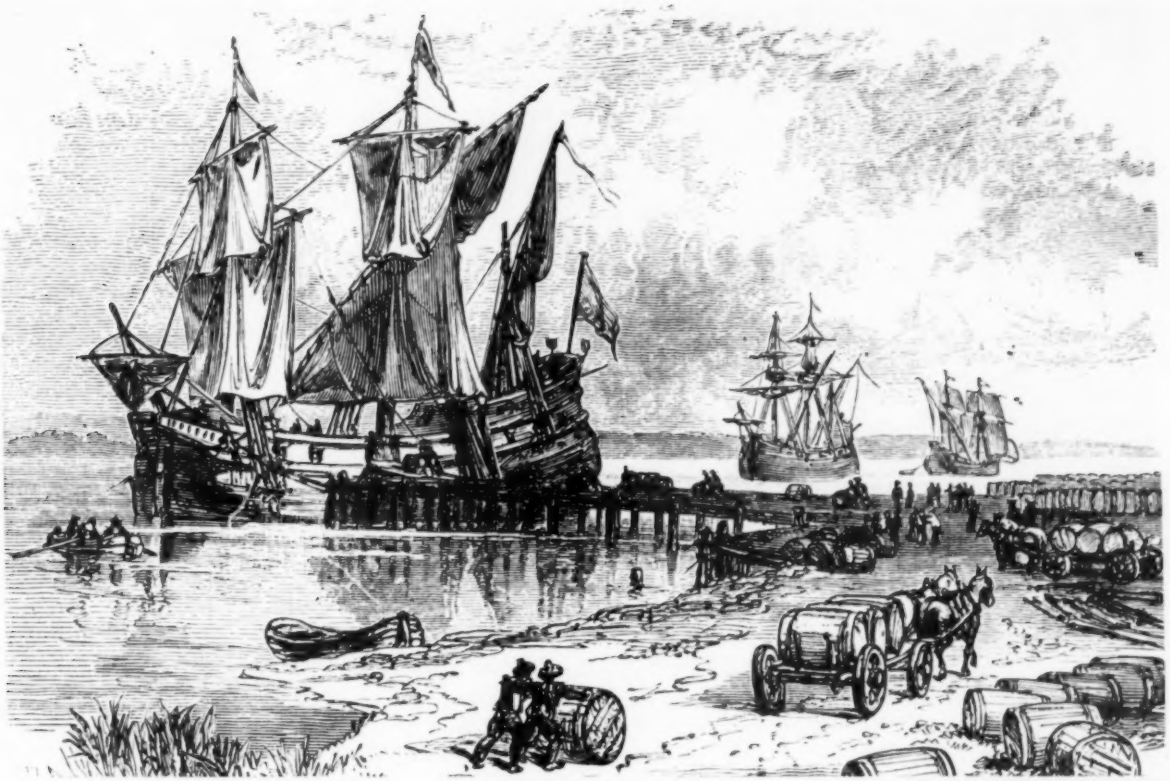

Tobacco ships in the James.

Our 350-Year-Old Tobacco Trade

By JOHN B. PARKER, Jr.
Tobacco Division
Foreign Agricultural Service

In the summer of 1612, John Rolfe, one of the first settlers of Jamestown and husband of Pocahontas, became the first successful commercial farmer in America. His Spanish tobacco seed obtained from Trinidad had produced a crop of large turquoise leaves which so amazed the Indians, used to smoking the bitter native plant, that they eagerly traded corn and other food for this mild aromatic tobacco. Encouraged by the reception his tobacco had received among the Indians, Rolfe decided to send a few barrels to England. This he did, the next year, and our $500-million-a-year tobacco export trade was started.

When Captain Adams unloaded this first shipment of tobacco in England, pipe smokers in that country were already using tobacco imported from the Spanish West Indies. But upon smoking John Rolfe's tobacco they noted a distinctive flavor and aroma which they enjoyed. They requested more tobacco from the impressive young man they had met several years earlier, in England with Pocahontas. So other settlers, as they carved new farms out of the wilderness along the James River, began to grow tobacco.

Tobacco was an ideal crop for these early settlers. It grew well in both Virginia and the Chesapeake Bay region. It could be produced on a comparatively small area of cleared land and was easy to prepare for market. Besides, it required a relatively small space on ships and had an established market in the British Isles.

Trade in the Early Years

In 1614, soon after English smokers became acquainted with Virginia tobacco, the King of Spain ordered all tobacco grown in the Spanish West Indies to be shipped to Seville. This was a boon to Virginia growers. For many years, English smokers had relied on West Indian tobacco; now they turned to the North American farmers. In 1618, Virginia exported 20,000 pounds of tobacco to England, and by 1627 the volume had increased 25 times.

Farmers received the equivalent of about 55 cents a pound for their tobacco shipments in the 1620's. This high price enabled plantation owners to build mansions along the rivers and travel in luxury. It also encouraged production and caused the crop to spread into nearby Maryland. By 1660, Colonial America was producing around 24 million pounds a year, obviously more than could be sold abroad, for the price dropped to below 3 cents a pound, and farmers began growing less tobacco and more corn for feed.

Within 5 years the market had improved, and between 1665 and 1740 tobacco exports ranged from 25 million to 35 million pounds annually. Shortly before the Revolutionary War they were up to 100 million pounds.

But because the British Isles were the only market, in 1776 exports dropped to 2.4 million pounds. It was at this time that France became an important market. Tobacco, incidentally, was used as money during the war, and large shipments in 1783 helped pay many of the war debts.

After the war, yearly tobacco exports to the British Isles returned to the 100-million-pound level. At the same time, exports and imports of prepared smoking tobacco started. From 1791 to the War of 1812, exports of manufactured tobacco amounted to about 500,000 pounds a year and imports of pipe tobacco to about half that amount.

Incidents involving American ships during the prelude to the War of 1812 caused exports to drop off again, and during the war itself they went still lower. Immediately afterwards large-scale shipments were resumed, and the 1840's, when the Carolinas, Kentucky, and Tennessee started exporting substantial quantities, saw annual shipments up around 112 million pounds.

Pushing Back the Frontiers

Tobacco was the favorite export crop for American settlers moving to the south and west from Virginia, Maryland, and Pennsylvania. These early frontiersmen were more confident about their migration to the Carolinas, Kentucky, and Ohio because they knew that they could grow tobacco as a cash crop and that there was a ready market in England for it.

Virginia farmers moved into North Carolina and began growing tobacco about 1670, and it was their rapidly expanding production that caused the price paid by English merchants to drop so disastrously. In retaliation, Virginia ports refused to handle tobacco from North Carolina during much of the 1700's. New England merchants took advantage of this and did a booming business exporting the Carolina tobacco and, in turn, selling their manufactured goods to the growers. (Not much tobacco was grown in New England until about 1825, when a market developed for the broad-leaved tobacco produced in the Connecticut River Valley.)

South Carolina started cultivating tobacco around 1794 when profits from indigo plummeted, and Louisiana, in 1824, went in for the high-priced Perique tobacco which adds a special flavor to pipe tobacco. Georgia and Florida grew very little tobacco until after the Civil War.

As American pioneers headed westward tobacco was planted. It was flourishing in northern Kentucky by 1785, and 25 years later it had spread into southern Kentucky and Tennessee. Production in Ohio began at about the same time as it did in Kentucky, and large shipments were sent down the Mississippi to New Orleans in the early 1800's and loaded on to vessels destined for England, France, and the Netherlands. It was in Ohio, in 1864, that white burley tobacco originated.

Had it not been for the tobacco grown in these "western" states, our foreign trade would have suffered much more than it did during the Civil War. While cotton sales dropped drastically, tobacco exports from Kentucky and Ohio—and also from Maryland—kept the volume over 100 million pounds annually.

Even Virginia and the Carolina growers were not too badly hit in the early years of the war, for blockade runners managed to get the tobacco of the Confederacy through to the Bahamas and the West Indies. Also, tobacco stocks were used by the southerners as collateral to obtain loans in Europe to finance the war. But in the end, England imported more tobacco from China and India as blockade runners delivered less Virginia leaf.

How Our Markets Grew

Since that first shipment of tobacco by John Rolfe, some form of U.S. tobacco has entered every country in the world. For over 150 years, 98 percent of our tobacco exports went to the British Isles, with very small shipments to Canada, Spain, and the West Indies. France started buying more shortly after the Revolutionary War, and the Dutch, who had been filling their pipes with Indonesian leaf, became U.S. tobacco customers in the early 1800's. By 1860, when our tobacco exports totaled 167 million pounds a year, Belgium, Switzerland, and Germany had been added to the list of good customers.

While we were fighting the Civil War, the Europeans were increasing their use of smoking tobacco and getting acquainted with cigarettes. As a result, in 1866, U.S. tobacco exports mounted to 200 million pounds. But expansion did not stop there. The income of Europeans grew as cities and trade developed, and by 1873 this figure had jumped to 318 million pounds. It was at this time that our shipments rose significantly to some of the countries that have remained excellent markets—Switzerland, Denmark, Norway, Finland, Belgium, and Egypt.

Not all of our tobacco went to Europe. Argentina and Australia became big markets during the late

Right, Colonial planters supervise packing of tobacco hogsheads for shipment to England. Above, earliest English symbol of American tobacco was an Indian with pipe and bunch of leaves. Opposite page, tobacco cultivation soon spread into the streets of Jamestown.

1800's. Canada kept growing as an outlet. And exports of black fat tobacco to Africa started.

By 1902, U.S. tobacco exports reached 368 million pounds, representing more than half of the tobacco entering world trade. And the array of markets included over half the countries in the world. The United Kingdom led, followed by such big buyers as Germany, France, Austria-Hungary, and the Netherlands. Cigarette factories had spread to Latin America and Asia, and U.S. leaf was being shipped to both continents for blending.

Our competitors at this time were Indonesia, which was exporting about 100 million pounds, and Brazil with only slightly less. Turkey and Cuba were each selling 30 million to 40 million pounds annually; Austria-Hungary, Greece, and Russia, from 10 million to 20 million.

When World War I started in 1914, U.S. tobacco exports were up to 414 million pounds. While exports fell off slightly during the next 4 years, the war itself had a profound effect on the U.S. tobacco trade. It caused cigarette-smoking to spread rapidly.

Markets Created by Cigarettes

Cigarettes were not new. When Cortez arrived in Mexico in 1519, he found the Indians smoking shredded tobacco packed into reeds. From Mexico the Spanish carried the cigarette back to Spain, where paper-covered "papelete" cigarettes were produced. These spread to Portugal and France, and were introduced into Africa and Asia by Portuguese sailors.

Long cigarettes with a cotton filter and expensive Turkish tobacco were first made by the Russians in 1850, and British troops who learned to smoke them during the Crimean War carried them back to England. The English immediately built a cigarette factory but output remained quite low until the invention of the Bonsack cigarette-making machine in 1881.

The Bonsack machine, invented by an American and later perfected in Durham, North Carolina, did for the world tobacco industry what Eli Whitney's cotton gin did for cotton. Before its invention world cigarette output was less than 10 billion pieces a year; today output is up to 2,300 billion.

With the advent of this rapid cigarette-making machine, factories sprang up all over the world, and wherever they were built some type of U.S. tobacco was soon imported for blending. Europe's cigarette output more than doubled, as soldiers and people on the move smoked more. In 1919, U.S. tobacco exports reached a peak of 777 million pounds. Millions of people in China began smoking cigarettes in the 1920's and by 1931 China was the largest foreign market for U.S. tobacco.

As our leaf exports to China increased, shipments to the United Kingdom, Germany, and Italy declined. Then after 1932 there was a falling off in shipments to both China and Canada. This caused total leaf exports to drop to an average of 421 million pounds for the years 1935-39.

World War II—and After

Our tobacco exports were reduced almost half during World War II. The United Kingdom accounted for over 60 percent of the wartime exports, with Australia in second place and China third. After the war, exports increased to supply European factories depleted of stocks, but the rise was more gradual and less striking than in 1919. The war damage was greater, and other countries had more tobacco available for export than they did after World War I.

These foreign tobaccos changed the U.S. trade pattern in the decade following the war. An acute shortage of dollars caused the British to seek more tobacco from Commonwealth sources. Given tariff preferences and guaranteed purchase arrangements, farmers in Southern Rhodesia rapidly expanded their flue-cured production. After 1952, they more than doubled their exports to the United Kingdom and built a towering skyline in Salisbury, now the world's largest tobacco market. Canada and India also increased their tobacco shipments to Britain, so that after three centuries of supplying over 75 percent of British tobacco exports, our share dropped to slightly less than half of the total.

In these postwar years West Germany rose to second place as a U.S.

tobacco buyer. (The Germans had become familiar with the cigarettes smoked by U.S. soldiers and preferred them to the oriental type they had been smoking.) Except for Spain, all other West European markets grew too. After 1950, sales to China ceased. But, with the loss of this large market and the drastic decline in exports to the United Kingdom, U.S. exporters began to search for other markets throughout the world.

Today's Markets

The development of new markets for our tobacco was helped by the tremendous increase in the world tobacco trade, which is about 50 percent greater today than it was 10 years ago. Also, cigarette output during this period increased markedly in all areas of the world. So, while the U.S. share of total tobacco trade has declined, our exports have trended upward, and we have shifted from reliance on several large markets to many smaller but growing ones.

In Europe, the Scandinavian countries, particularly Finland, are now buying large amounts of U.S. tobacco. In Africa, Egypt and Ghana are developing as outlets, and in the Near East, Jordan and Lebanon. With the exception of Argentina, Uruguay, and Commonweath areas, most of the tobacco bought by the Latin American countries comes from the United States; noteworthy are the markets in Mexico, Chile, Costa Rica, and the countries of the Caribbean area.

By far the fastest growing markets are in the Far East, where new cigarette factories are supplying smokers who previously relied on imported or low-quality domestic cigarettes. Malaya has become a very important market, with the potential for still further growth. Japan and Thailand also rank as leading markets today. Other customers in the area, namely Burma, Hong Kong, and Taiwan, have grown within the last few years.

A Bright Future

Although the volume of U.S. leaf exports has been higher in the past, the value reached a record $391 million in 1961. Cigarette exports also established a record value—$97 million—that year. Anticipated for 1962 is a further rise—$400 million for leaf exports, $120 million for tobacco products.

The future looks bright too. World cigarette output is rising by 5 percent annually. New markets are opening up in nations establishing their first cigarette factories. A growing worldwide preference for better-quality, blended cigarettes has created a greater demand for U.S. tobacco to impart flavor and aroma to improved blends. And some of the world's largest tobacco users rely heavily on imports to supply their smokers. For example, the United Kingdom, the Netherlands, and the Scandinavian countries import all the cigarette tobacco they use; West Germany, Switzerland, and Belgium, over 85 percent.

These favorable factors, however, are somewhat offset by certain adverse conditions. The new tariff structure of the Common Market countries is disadvantageous to U.S. tobacco, and these countries are all big importers. Programs for self-sufficiency may tend to limit tobacco export opportunities to Australia and Latin America, and in some markets a tighter currency situation may hinder leaf imports in the immediate future. And while many exporting countries are having production difficulties, Rhodesia, our largest competitor, continues to grow and export more tobacco. There is also the possibility that tobacco use in the United Kingdom may decline.

Thus, the future will undoubtedly hold as many surprises and disappointments for U.S. tobacco growers as in the past 350 years. In general, though, our tobacco trade should continue moving upward. If total world trade reaches 2 billion pounds by 1965, as expected, and the U.S. share remains at 28 percent, the volume of U.S. tobacco sold abroad would be 560 million pounds by 1965 and 700 million sometime in the early 1970's.

Three of the illustrations were reproduced from old prints: page 3, from Culver Pictures, and page 5, from the New York Public Library. On page 4 is a photograph of a painting by Sidney King, supplied by the Colonial National Historical Park, Yorktown, Va.

Northern Rhodesia To Get Rural Development Loans

Northern Rhodesian agriculture, which has long played economic second fiddle to the country's copper industry, is about to receive its first sizable financial boost.

The Anglo-American Corporation, one of the two large international mining firms operating in the area (and incidentally with no Americans in it), has agreed to lend the Federation of Rhodesia and Nyasaland about $14.2 million for agricultural development. Much of the money is to go into the African rural economy in Northern Rhodesia. The first installment is expected early in 1962; smaller loans will follow over several years.

The British Government has also recently agreed to make a $8.4-million loan to Northern Rhodesia alone for various capital developments, urban and rural. Under negotiation, too, is a $2.8 million loan for African housing in Northern Rhodesia from the Colonial Development Corporation.

The loans have largely grown out of recommendations made in a 1960 study by the Northern Rhodesian Government on present and potential growth of African agriculture, livestock, fisheries, and possible rural industries, such as food processing and the manufacture of building materials, furniture, and textiles. The overall program would cost $84 million.

Because Northern Rhodesia's copper mines have contributed perhaps 60 percent of the value of the country's exports, agriculture has had relatively little attention. The African agricultural economy is primarily subsistence. The average rural family produces about $140 worth a year, and some manage to sell about $14 worth. A few farmers are trying to develop the production of flue-cured tobacco, corn, peanuts, and livestock.

There is plenty of undeveloped arable land, but owing to lack of rural opportunity, as many as 50 percent of the able-bodied males may be away from their districts at a time working in the mines. The study notes the number of jobs has been stationary since 1957, while the population is expected to have doubled by 1985.

The Food Situation in Cuba

—where shortages plague the Castro Government

By LEON G. MEARS
Regional Analysis Division
Economic Research Service

Food consumption in Cuba has dropped over 15 percent since the present Cuban government assumed power three and a half years ago. In that time Cubans have gone from being among the best fed people in Latin America to a diet below the area's minimum nutritional standards. Stringent food rationing covers all major items of foods. Nor do the months ahead hold out much hope of improvement.

Cuba's current food shortages—except in meat, milk, and other livestock products—do not stem from any appreciable slackening in the amount of food produced. The primary reasons for food shortages (other than livestock products) are reduced food imports, inadequate storage, and gross mismanagement or disruption of transportation, marketing, and distribution facilities. Production declines in meat and other livestock products are due principally to the excessive and indiscriminate slaughtering that took place in 1959 and early 1960.

When Cuba's present government took over in January 1959, it found a country with food supplies adequate for Cuba's 6.5 million people. The agricultural part of the economy was producing over one-third of the national income, employing about two-fifths of the labor force, and furnishing over nine-tenths of the value of all exports.

Agriculture was growing rapidly. Farm output in the late 1950's was twice the 1935-39 level, with an average growth of 3.5 percent a year during the two decades. This was significantly higher than the annual average population growth of about 2.3 percent for the same period. Just prior to the change in government, production for both domestic consumption and export had accelerated even above this level.

Food supplies were abundant in 1959, the first year of the Castro Government. International trade patterns were not much affected that year nor had new government nationalization programs been fully implemented. Sizable quantities of meat and eggs were exported for the first time in years, as well as about 10,000 head of breeding cattle.

Daily food consumption in 1958 was estimated at 2,870 calories per capita. This was above the 2,500-calorie minimum requirement standard for Latin America and included adequate quantities of fats and proteins. On a per capita caloric intake basis, Cuba ranked third in Latin America.

ESTIMATED PER CAPITA FOOD CONSUMPTION IN CUBA IN 1958 AND RATIONING ALLOWANCE SET FOR MARCH 1962 [1]

Food item	Unit and period	1958	Present rationing
Nationwide, including Havana:			
Fats	Pounds per month	2.90	[2] 2.00
Beans	do	2.45	1.50
Rice	do	10.20	6.00
Havana only:			
Meat less poultry	Pounds per week	2.2	.75
Chicken	Pounds per month	3.2	2.0
Eggs	No. per month	7.0	5.0
Fish	Pounds per 2 weeks	1.1	.5
Milk	Liters per day	.45	[3] 1.00 [4] .20

[1] Consumption of the three items being rationed nationwide accounted for an estimated 40 percent of average per capita caloric intake in 1958. The eight items listed as being rationed in Havana accounted for an estimated 70 percent of average per capita caloric intake in 1958. [2] Allowance for fats remains the same as set in July 1961. Butter is rationed in Havana at 2 ounces per capita per month and presumably is in addition to the fat ration. [3] For children under 7 years of age (about 18 percent of the population). [4] For all persons over 7 years of age.

Food Shortages Begin

This period of relative abundance was short lived, however, for by February 1960, food shortages were cropping up throughout the island. Soon thereafter the government imposed stringent restrictions on the slaughter of cattle and hogs. Poultry meat sales were prohibited one day a week and export plans for eggs and other commodities were abandoned.

Meanwhile daily per capita food consumption dropped from third to seventh place among the 20 Latin American Republics and is now estimated to stand at 2,400 calories a day.

In the midst of growing food shortages and public speculation the Cuban Government in mid-March 1962 began rationing rice, beans, poultry, eggs, fish, milk, potatoes, and malanga (a starchy vegetable), and continued the previous rationing of fats and meat.

Ration books were issued to heads of families and rationing got under way. The system was poorly organized and immediately bogged down. The government shortly announced that "the rationing plan has worked poorly during the first week and there has been much more confusion than was expected." Supplies of foodstuffs in general were inadequate to meet rationing allowances.

Food rationing in Cuba under Castro is not new. Fats have been rationed since July 1961 and certain meats almost as long. And in reality, scarcities, poor distribution, and high prices have in effect been "rationing" food for more than two years.

Imports, Distribution Fail

Cuba's food problems during the past 2 years have been self-imposed both in terms of internal management and the failure to effect needed imports. Necessary foodstuffs could have been purchased from the United States.

The decline in imports and distri-

bution difficulties are the chief reasons for shortages in rice, lard, and beans—which customarily make up about two-fifths of the Cuban's diet.

In 1958 Cuba imported about 55 percent of its rice, 75 percent of its pulses (mostly beans) and almost all of its lard. Practically all imports of rice and lard came from the United States that year as did 70 percent of the beans.

Before Castro, the United States was by far Cuba's top foreign market and generally received about two-thirds of its agricultural exports. For many years Cuba was our best market in Latin America for farm products and in 1958 ranked seventh in the world.

During the first half of 1960 Cuba began in earnest to seek non-U.S. sources for rice, wheat, wheat flour, and other food stuffs formerly imported largely from the United States. The shift was apparent early in the year and was striking by June. U.S. agricultural exports to Cuba for the first six months of 1960 were down about 15 percent from a similar period in 1959, and for the last half were less than 45 percent of the 1959 level.

Cuban–U.S. Trade Drops

The Cuban Government's decision to obstruct agricultural imports from the United States in early 1960 was not prompted by an unfavorable trade balance, nor by U.S. trade restrictions, but by its own choice. U.S. imports from Cuba in January-June 1960 totaled $274 million, compared with total U.S. exports to Cuba of only $140 million, or $134 million in Cuba's favor. For the 2-year period, 1960-61, Cuba's favorable trade balance with this country totaled $155 million. U.S. trade restrictions on agricultural sales to Cuba were not imposed until late October 1960 and did not prohibit most food exports.

Sugar is Cuba's principal export, most of which had gone to the United States before mid-1960 at premium prices substantially above world market prices. Cuba marketed over 80 percent of its sugar in the United States before World War II, and about 60 percent after the war as European markets expanded. In the 1950's Cuban sugar sales to the United States averaged $323 million annually. In July 1960, the United States cut Cuba's sugar quota for that calendar year and 1961 and 1962 quotas were set at zero. The chief reason for this action was the growing concern over the reliability of Cuba as our principal foreign sugar supplier.

During the last half of 1960 the reorientation of Cuba's foreign trade proceeded even more rapidly. Meanwhile, expropriation proceedings in the agricultural sector were also being stepped up markedly. The resultant uncertainties and disruptions served only to further aggravate the food situation.

Trade with the United States continued at low levels into 1961 and by mid-year Cuban agricultural imports from the United States had practically stopped. With the stoppage came the rationing of fats in July and certain meats soon thereafter. The last sizable U.S. agricultural shipments to Cuba were in July and totaled only $345,000.

Cuban, Sino-Soviet Trade Rises

While U.S.-Cuban trade was disintegrating, Cuba's foreign trade pattern was being shifted largely to the Sino-Soviet Bloc. Where only 2 percent of Cuba's farm exports had gone to the Bloc in 1958—and practically none of its agricultural imports came from that source—by mid-1961 Bloc countries were receiving about 70 percent of Cuba's farm exports and supplying about two-thirds of its agricultural purchases.

Total food imports into Cuba in 1961 are estimated at less than two-thirds of the 1958 level. Further, available reports indicate food purchases from both Free World and Bloc sources dropped sharply in late 1961 and early 1962.

Cuba's food supply situation in the immediate months ahead does not appear favorable.

Cuba has the climate, productive land base, and labor supply necessary to substantially expand farm output, but capital and technological resources are inadequate and economic incentives sorely lacking.

Agrarian reform has disrupted production but has neither fulfilled government promises nor met the needs and expectations of the rural people. Large, formerly privately-owned estates have been expropriated by the government but little land has been distributed to the landless *campesinos*. According to the Cuban Government, two-fifths of the land in farms is now state owned, where before the amount was insignificant.

The mismanagement of the livestock industry will continue to have ill effects on meat and milk output for some time to come. Commercial poultry production will depend largely upon domestic production of feed grains, principally corn not utilized for human consumption; significant feed grain imports are doubtful. As a result of the general food shortage, corn production for animal and poultry feed is not expected to receive special priority, therefore little increase in poultry production is expected in the near future. Similar difficulties exist for swine production.

Harvest of the main crop of rice, accounting for almost 90 percent of annual output, generally does not start before October. Harvest of the principal bean crop has just finished as has the largest portion of the malanga crop, yet both are already scarce.

Cuba has never been a large producer of lard and increases in output will depend primarily upon increased commercial swine production.

Farm Production Slumps

In general, land and labor are not being utilized advantageously. Labor shortages, first encountered during the 1961 sugar-processing season, are becoming more critical. Many of Cuba's trained managers and skilled technicians have fled the country and some of those who remain do not share the political views of the government and are not being utilized.

Disruptions caused by the revolution with the resulting rigid government controls, and the difficulty in obtaining needed imports of farm machinery, spare parts, fertilizers, pesticides, and other farm inputs from Bloc sources are also retarding production. The failure of the once-prosperous agricultural sector and its continuing deterioration—with its far-reaching consequences—is perhaps the most significant economic product of the revolution to date. It is a failure the Cuban Government has been forced to admit, but unable to rectify.

Common Market Policies And Swiss Agriculture

By THOMAS E. STREET
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The immediate problem of Swiss agriculture with the Common Market is in essence the same as that of U.S. agriculture—the possibility of a diminishing market for its exports. Switzerland's concern is even more acute than ours, however, for the EEC area looms much larger in Switzerland's total agricultural export picture.

The common EEC policies on agriculture and trade present some special problems for Switzerland. Their implications will become clearer from a brief review of the country's present farm export picture, its farm prices and export subsidies, and the possible effect of EEC tariff changes on its principal export commodities.

Farm Exports

In 1960, Swiss exports of the commodities that the Common Market classifies as agricultural totaled the equivalent of $64 million. Of this amount, $44 million worth—more than two-thirds—went to the Common Market countries. That is a much greater proportion of total agricultural exports than the United States sells to the same area.

Principal commodities, too, differ for the United States and for Switzerland. Over 75 percent of Switzerland's farm exports consist of cheese, live cattle, canned and dried milk, food potatoes, fresh apples and pears, and fruit juices and concentrates. Principal U.S. farm exports are grains and feeds, cotton, animal products, vegetable oils and oilseeds, fruits and vegetables, and tobacco.

In 1960, the Common Market shares of the chief Swiss farm exports were these: Cheese, $23,644,000, or 67 percent; live cattle, $4,310,000, or 91 percent; canned and dried milk, $3,152,000, or 44 percent; food potatoes, $1,440,000, or 89 percent; fresh apples and pears, $943,000, or 92 percent; fruit juices and concentrates, $748,000, or 60 percent.

Prices and Subsidies

Switzerland, surrounded as it is by the Common Market countries, has always found them good natural markets for some of its farm products; yet, because of its own long-standing agricultural policies, its farm prices far outstrip theirs.

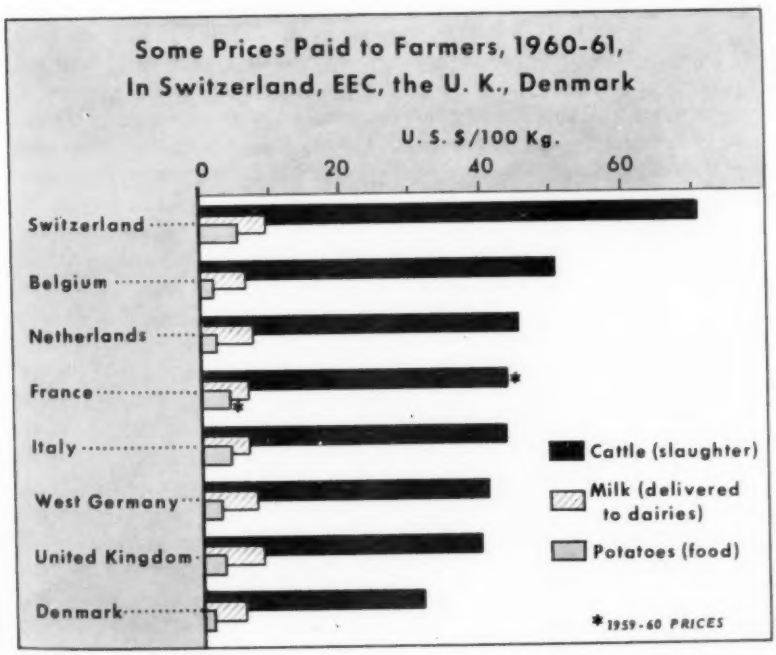
Take, for example, dairy products, the principal Swiss export to the Common Market. As our chart shows, Swiss farmers receive higher prices for their milk than do the farmers of the EEC countries (including the United Kingdom and Denmark, both applicants for membership). These milk prices are reflected in the prices of Swiss dairy products. In 1957, Swiss producers of Emmentaler cheese—the country's main agricultural export commodity — were guaranteed the equivalent of 98.0 U.S. cents per kilogram. By 1959, the price had risen to 102.5 cents. In contrast, the price that German producers received in 1958 for the same kind of cheese was only 78.6 cents; and in 1960 it ranged only between 85.6 and 91.2 cents.

Another leading Swiss export to the Common Market is fresh fruit (apples and pears). Switerland's guaranteed minimum prices to producers of table apples and pears are based on careful calculation of production cost—and they are higher than the prices paid in surrounding countries, especially France and Italy.

Switzerland has coped with these price spreads through export subsidies. Total figures on subsidies paid for marketing the principal export commodities will give an idea of the amounts involved, though domestic marketing costs are included too. The figures for 1960 are these: For furthering the marketing of cheese, $10,685,000; for cattle, $2,555,000; for table apples, $116,144. These add up to a substantial expenditure on subsidies, even though Swiss distributors' margins may be less than those in some other European countries.

Tariffs and Import Levies

How the new EEC tariff structure could affect Swiss farm exports can be indicated by a look at the individual commodities. Let us return to the problem of Emmentaler cheese. Export prices for Swiss Emmentaler are fixed by the Swiss Cheese Union and they vary according to country and to qual-



ity required. Prices set in 1961-62 (for lots over 2,500 kilograms, f.o.b. the Swiss border) ranged from the equivalent of $102 per 100 kilograms for "IB" quality sold to the Benelux countries to $144 for "extra" quality sold to the United States. Only the cheese sold to the United States is marketed without a loss.

With the recent and prospective EEC tariff changes, this situation will become still more difficult. Italy, for example—the main buyer of Swiss Emmentaler cheese, with 8,200 metric tons out of total exports of 22,310 in 1960—charged Swiss Emmentaler a tariff rate of 10 percent ad valorem up to December 31, 1961. But on January 1, 1962, Italy's first general tariff increase under the EEC agreement went into effect, pushing the rate to 13.9 percent; and the final general tariff proposed on Common Market imports from nonmembers is 23 percent.

Also on January 1, however, Italy lowered its EEC intercountry rate on Emmentaler from 8 percent to 7, a first step on the gradual progress to zero tariffs among the EEC countries. This means that Italy's Emmentaler imports from Switzerland will be charged with roughly 7 percent more import duty than its imports from Germany.

A similar process is going on in France, the second largest customer for Switzerland's cheese, as well as in the other Common Market countries. Under the new tariffs, the price increases on Swiss Emmentaler throughout the whole EEC area would range from $3.48 to $4.65. On the basis of export figures for 1961, it would cost the Swiss Government about $766,600 more during the coming year to maintain the same level of exports and domestic prices as in 1960.

For live cattle imported into the Common Market countries, no import duties are levied. But for Switzerland's other principal agricultural exports, the prospect is like that for hardcheese.

For unsweetened and sweetened condensed milk, the tariffs in France—the top customer—have been 8.4 and 17.4 percent respectively; the final common tariffs will be 18 percent for unsweetened and 23 for sweetened.

For Swiss table apples France has also been the main customer up to now, with an import tariff of 9.6 percent from August until December—rather high, but not prohibitive. The new outer tariff for the same period will be 14 percent. For cider apples and pears, the average tariff has been 7.3 percent; the new outer tariff is set at 10 percent. According to the Swiss Alcohol Monopoly Administration, this would mean that the new duty charged by Germany, the main buyer of Swiss cider fruit, would be $0.52—more than twice what it was through 1961. For cider pears, with production costs that run to $1.28 per 100 kilograms, this additional import charge would raise the price of Swiss pears in Germany so high that they could only be marketed at a loss.

For fruit concentrates, the outlook is even darker. In Germany, the general outer tariff has been increased from 10 percent to 19.6, the Common Market inner tariff lowered from 8 percent to 7. The same movement took place in Benelux tariffs; the general outer tariff went up from 18 percent to 26 and the inner tariff down from 14.4 percent to 12.6. These wide spreads will of course be accentuated when the outer tariff has reached its planned height of 42 percent and the inner tariffs have all disappeared.

For food potatoes, of which considerable quantities are exported to Italy each year, the tariff has been 9 to 10 percent; the final outer tariff will be about double that, at 18 percent.

In January, Switzerland—already wrestling with the problem of these newly increased EEC tariffs on its principal farm exports—was presented with another problem. According to decisions made that month by the EEC Council of Ministers, dairy products (in addition to grains, pork, poultry, and eggs) may be subject to variable import levies. These will widen still further the price gap between Switzerland's products and those of its Common Market competitors.

Policy Problems

So far, the Swiss request for association with the Common Market, possibly under article 238 of the Rome Treaty, has not been acted on. Therefore, Switzerland does not yet know what the conditions for association might be. If one of these conditions were adherence to the common agricultural policy, compliance might be extremely difficult for the Swiss because of their high farm support prices. This farm price structure results from the requirement laid down in the Swiss Constitution as well as in the Law on Agriculture and subsequent ordinances—to maintain a strong agriculture and to assure farmers an income equal to that earned by people doing nonfarm work calling for a similar level of skill.

This requirement is in turn a product of Swiss neutrality and its economic consequences. Switzerland's wartime experience—twice repeated in this century—of forced reliance on its own agricultural resources to supply its population convinced the country that it should maintain an agricultural base as large as possible in case of a similar necessity in the future.

Implications

According to a statement by the Federal Council, these constitutional and legal requirements were considered so binding as to prevent Swiss admission to full membership in the General Agreement on Tariffs and Trade. One can only speculate whether they would similarly prevent Swiss association with the Common Market. Certainly the strongly organized farmers could be expected to resist any form of association that might mean less income for them. Under the Swiss constitutional system, they could call for a referendum on the question of association with the Common Market. Conceivably, if they felt their vital interests to be threatened, they could attract enough support to prevent association, although they represent only 14 percent of the population.

Thus, Swiss agriculture faces a dilemma—on one hand, the possible loss of critically important markets, and on the other the possible diminution of its critically important income structure. Other countries having a substantial trade with the Common Market, even the EEC countries themselves, all face the same dilemma. But for Switzerland, this dilemma reaches into the heart of its political life, its traditions, its relations with the rest of the world, and its system of government.

Right, a group of schoolboys in Bogota, Colombia, enjoy the midmorning milk and rolls provided by CARE as part of a Title III school feeding program. Center, a milk plant for the reconstituting of U.S. nonfat dry milk for use in Bogota's school lunches.

Photos from CARE

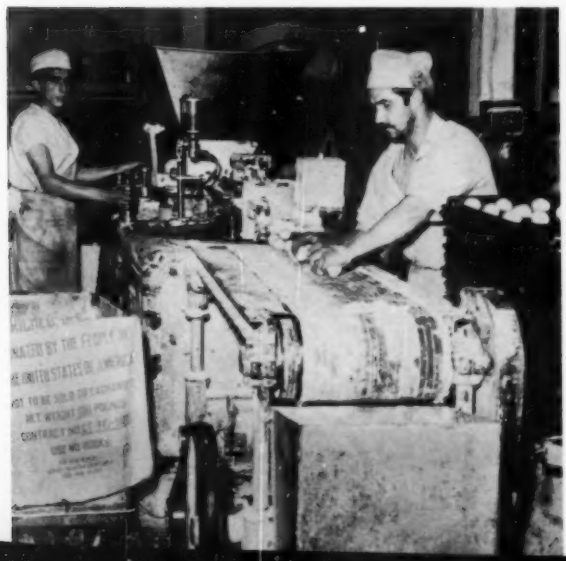
U. S. Foods Feed Hungry Youngsters

This year, 28 million school children in 40 countries will eat school lunches prepared from foods donated by the people of the United States through Title III of Public Law 480.

The commodities, mostly wheat flour and nonfat dry milk solids, are drawn from U.S. surplus stocks remaining after domestic needs are met. They are distributed by private relief agencies and the local governments. The program is worldwide, with about one-eighth of its operations in Latin America. Colombia's school lunch program (pictures shown here) is the largest in the Americas.

In addition to the Title III donations, foods for school lunches are sold or donated under other provisions of P.L. 480 and, in several cases, they are contributed by the governments of the recipient countries. Some of the lunch programs provide up to a third of daily minimum nutritional requirements, but most provide somewhat less.

Below, rolls are baked for school lunches—using surplus U.S. wheat and milk. Right, water is boiled in the kitchen of a Bogota school. Milk powder will be added to the boiled water.



Economic Guide

Above, Owens Falls Dam on the Nile furnishes power for Uganda's growing industries and even Nairobi and Kenya. The World Bank report says livestock, at right, offers "best promise for diversification."

More diversified farming and bigger government revenues are key recommendations in the World Bank's recently published study on Uganda.

The report with its detailed guidelines for future development is particularly timely as the East African nation—on the threshold of independence as a member of the British Commonwealth—faces economic problems sparked by falling world coffee prices.

Coffee and cotton have between them long held a dominant position in the Ugandan economy. They presently account for two-thirds of Uganda's exports outside East Africa. In 1955 coffee supplanted cotton as Uganda's principal export; and the country has now become the world's third largest exporter of Robusta coffee with one-third of it going to the United States.

High wartime, and postwar, prices for both commodities provided Uganda with a very favorable trade balance. In addition, government revenues from coffee and cotton export taxes—plus substantial price stabilization reserves accumulated by the cotton and coffee boards—were largely responsible for financing such things as social services, the big Owens Falls dam, and the beginnings of industrialization.

While prices held up, Uganda maintained an unspectacular but steady growth. A good year-round climate, well-distributed rainfall, and fertile, uncrowded land help create an agricultural economy comfortable to so many of Uganda's people that there has been little pressure for change. A starchy diet, rather than lack of food, causes most of the malnutrition.

Now, with coffee revenues off and cotton earnings at a standstill, Uganda has what the World Bank terms a "sluggish economy," even though its financial position is better than that of many other African countries. Uganda must now find money to diversify and expand its predominantly agricultural economy and pay for recurrent government expenditures incurred when the possibility of lower revenues was not taken into account.

One of the principal solutions is a complete revision of the country's tax structure. This includes income taxes on Africans, who, though they make up 98 percent of Uganda's 7-million population, pay none. Taxes on corporations and non-Africans need raising.

International Aid Seen

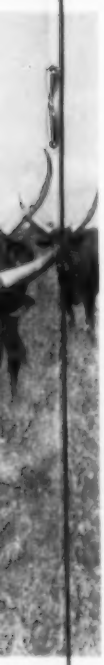
The World Bank report suggests the need for around $95 million for development financing over the next 3 years. Local sources would supply 47 percent. This, plus loans from the United Kingdom, would leave $25 million to come. The study terms "chances quite good" that aid can come from other governments and international organizations if Uganda's development program is adequate and vigorously implemented.

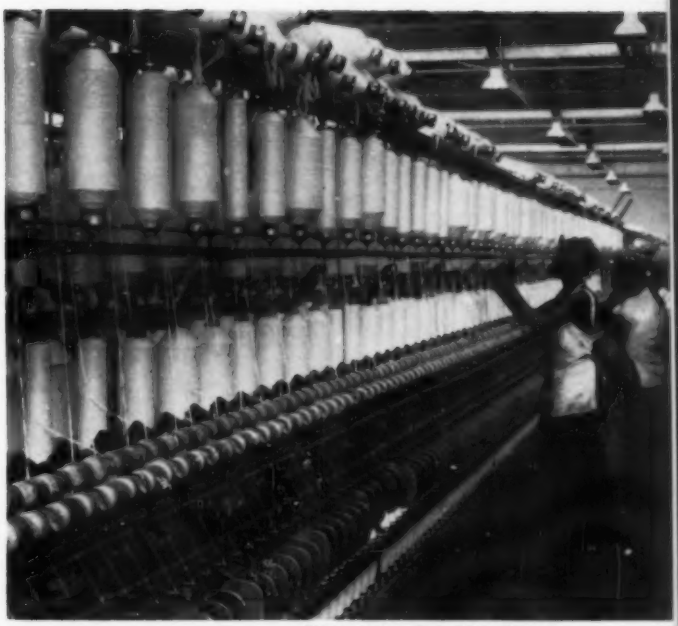
The United Kingdom has also agreed to continue special inducement pay supplements to top supervisory and technical foreign personnel to give Uganda time to train its own people and permit the economic development program to proceed uninterruptedly.

The report understandably gives primary emphasis to agricultural development in this country where 90 percent of the people are engaged in agriculture. The study notes, however, that Uganda already has a number of elements essential to further industrial growth. The country has one of the best road systems in Africa and ample water power. The relatively new hydroelectric power plant at Owens Falls also supplies power to Nairobi and intermediate points in Kenya, nearly 300 miles away. Loans from the World Bank and the United Kingdom will extend distribution lines further and expand power generation facilities.

Another asset is the country's budding, and underexploited, tourist industry. An estimated 20,000 people

idelines for Uganda





Photos courtesy Dept. Info., Kampala

Above, this modern mill spins the cotton that is one of Uganda's two big money-makers. Pest control could send output up 30 percent.

African farmers, at left, pick Robusta coffee, of which Uganda is world's third largest exporter.

each year come to see Uganda's abundant wild life and such points of scenic beauty as the Queen Elizabeth Park and Murchison Falls Park on the Nile. The World Bank sees a possible 25-percent annual increase in tourist volume with the investment of around $800,000 in additional tourist amenities. Ten hotels have recently been expanded and refurbished to meet the needs of the growing tourist trade.

Industrial development has been slow, because of the small home market. But a number of industries have begun, such as copper mining (copper is Uganda's third largest export), cotton textiles, and cement. The study specially recommends further industrial expansion and governmental encouragement of private investment.

Farm Productivity Stressed

Uganda's agriculture is almost uniformly handicapped by low productivity. Lack of capital and a low level of resource management have resulted in largely subsistence farming. Aside from the tea and sugar plantations which are run by Asians and European corporations, all farming is done by Africans. Seventy percent of the cultivation is done by women with hoes. The use of oxen and plows is growing, but tractors and machine equipment are almost nonexistent. Fertilizers and manure are used only on government experiment stations and yields of almost all crops except tea and sugar are low.

Beginning to emerge is a class of progressive farmers who are adopting new techniques of production and are becoming commercially oriented. They frequently employ migrant labor from heavily populated Ruanda-Urundi, Kenya, and Tanganyika.

The further development of modern farming is hindered by strict tribal tenure systems which forbid individual land ownership and the sale of land to non-Africans. This has particularly limited the expansion of sugar and tea plantations which need a large-scale, centrally run operation to be efficient. The increasing use of the 'outgrower system, under which adjacent farms contract to raise these specified crops for sale to the central operation, has only partially offset this handicap. The study comments that modification of these restrictions would step up production and would not open the door to too-great land ownership by non-Africans with the government in the hands of Africans.

Broader-Based Agriculture

Coffee and cotton lint remain undisputed rulers of Uganda's overseas export economy, but the country is now trying to diversify exports and its domestic cash economy. Tea, cottonseed, hides and skins, and peanuts are increasing in importance in international trade. Cottonseed oil, sugar, and tobacco are important in interterritorial exports to Kenya and Tanganyika under the East African Common Market. Most of Uganda's supplemental agricultural import needs are met by imports from these two countries.

The World Bank study holds that cotton has the best prospect for a rapid increase in output. Ugandan cotton production reached 349,000 bales in 1938, but since then has not gone above 334,000 bales. Adequate pest control could increase production by 110,000 bales a year, the study says, or 30-percent over present average output.

A project to popularize spraying began in 1959, but resulted only in the spraying of some 5,000 acres a year. Incentive subsidies to farmers recently increased. The report recommends that something under $4 million be spent on such payments in the next 4 years.

With coffee export ceilings controlled by the International Coffee Agreement and growing world surpluses, improved quality is seen as the answer to reduced coffee revenues. Ugandan coffee production is largely Robusta, since due to disease, there is only minimal output of the more valuable Arabica. The 1950-55 Robusta production average was 754,000 bags; by 1960-61 it had risen to 1.9 million bags.

Sugar is currently produced only on two large Asian-owned estates in Busoga and Buganda, with combined acreage under sugar of 37,700 acres. Production reached 91,000 tons in 1960, and if the owners are able to lease additional land or expand outgrower contracts, production should increase by 41,000 tons a year. Even so, this expansion is expected to lag behind the East African Market consumption by 23,000 tons.

Tea is the crop arousing the most interest now in Uganda, where many areas provide ideal growing conditions. Within a few years' time it has become the country's fourth largest export. At the end of 1960 production had reached 10.3 million pounds and 16,840 acres were under tea, with 11,318 acres bearing. By the end of 1963, tea acreage may well have doubled. Use of the outgrower technique and relaxation of land tenure restrictions could add sufficient acreage to send production to 15-to-16 million pounds by 1965.

The World Bank report calls livestock development "the best promise of diversification in Uganda's agricultural output."

Exports of meat products worth $1.4 million might be possible by 1966, if there is an intensive tsetse fly and disease control program to improve the quality and productivity of livestock and reduce animal losses. Output of milk and meat is now extremely low. The report calls the importation of breeding stock the fastest method of improving livestock, but only if the necessary level of management and feeding has been attained. There have been some Jersey and Guernsey breeds brought in from Kenya in the past few years.

No Insurmountable Problems

While Uganda's immediate agricultural and economic problems are difficult, they are not insurmountable. Their solution will require hard work and careful selection, planning, and execution of programs. Independent Uganda's new leadership—and its farmers as well—will need to recognize that the country's basic wealth still lies in agriculture and that no magic formula can solve its problems.

U.S. Is World's Biggest Cheese Maker But a Minor Figure in Export Picture

The United States is the world's largest cheese producer. Its yearly output now averages around 1.5 billion pounds—far more than that of any of the countries famous for their cheese and twice the 1935 figure. And while three-fourths of this cheese is American-type Cheddar, many other kinds are produced, including as much Swiss cheese as Switzerland itself produces.

In addition, the United States imports 60 million pounds of cheese annually, most of it coming in without quantitative restrictions. These are largely Swiss, Italian, and blue-mold cheeses. Imports have been increasing slowly, about 10 percent over the past 25 years.

Still, this country is only a nominal exporter, and in the past most of its exports have been donations, largely of Cheddar cheese. In 1958, the last year with sizable cheese donations, 136 million pounds were shipped under Title III, Public Law 480. U.S. sales run about 10 million pounds a year.

With so much coming in and so little going out, it would seem that Americans have to eat a lot of cheese. Per capita consumption is high, about 8 pounds a year, but not nearly as high as in many smaller countries. The Swiss eat 18.5 pounds, the French 17.5.

For all its cheese, the United States plays a minor role in the Free World's 900-million-pounds-a-year cheese trade. More than 60 percent of this cheese originates in the Netherlands, Denmark, and New Zealand. Large amounts also come from Australia, Finland, Italy, and Switzerland. The major markets are in Western Europe, particularly the United Kingdom and West Germany.

The Netherlands, the world's leading cheese exporter, produces over 400 million pounds a year, mostly Edam and Gouda, and exports more than half of it. Dutch cheeses go to 91 countries, but West Germany, buying 110 million pounds, is by far the largest market. Belgium and Luxembourg together buy another 50 million pounds and the United Kingdom, 20 million. The United States imports some 5 million pounds of Dutch Edam and Gouda.

The rest of the Netherlands' cheese —along with 1.6 million pounds imported from other countries—is consumed at home, at the rate of 16 pounds per person per year.

Denmark's situation is similar. It produces about 258 million pounds of cheese every year, mostly Danish blue and other natural cheeses, and sells 172 million pounds of it: 85 million to West Germany, 24 million to the United Kingdom, 10 million to Italy, and smaller amounts to a long list of countries.

The Danes eat a lot of cheese at home—usually about 17 pounds each. Nonexport domestic output is augmented by 400,000 pounds a year of French, Swiss, Finnish, and German cheese.

The third major exporter, New Zealand, sells almost exclusively to the United Kingdom—166 million of the 178 million pounds it exports annually. Both production—200 million pounds a year—and consumption—6.6 pounds per capita—are below the Netherlands' and Denmark's.

Australia also sells most of its cheese to Britain (33 million out of a total export volume of 40 million pounds), and per capita consumption is slightly under 6 pounds a year.

Irish steers pastured on the country's lush grasslands. Nearly two-thirds of Ireland's acreage is classed as grass, so that the raising of livestock is the main farming activity, and beef and beef cattle are the leading agricultural exports.

By **WILLIAM R. HATCH**
U.S. Agricultural Attaché
Dublin

The Irish Beef Industry

Beef and beef cattle shipments are Ireland's major source of foreign earnings. Last year they brought in over $183 million.

Ireland's grasslands agriculture was built around the dairy cow, and it is to dairy products that Irish farmers have looked for their livelihood. In the export trade, however, beef and beef cattle have long been the leading foreign exchange earners.

Irish dairy cow numbers change very little. A hundred years ago the country had about the same number that it has today—around 1.2 million. Statistics tell a different story in regard to beef cattle. In 1960, cattle numbers reached an alltime high of 4.75 million head, a 22-percent increase over the average for 1951-55. For every cow mated to a dual-purpose bull to replace dairy stock, two are mated to beef bulls, and this provides the stock and feeder cattle that enter the Irish export trade either as live cattle or as meat.

This poses the question—Is Ireland switching from its traditional dairy cattle pattern to a largely beef one?

Personally, I do not believe so. But to understand why I do not foresee any great change requires some explanation of Irish farming practices and a look at the country's livestock trade.

Grasslands Agriculture

Of Ireland's 17 million acres, more than 11 million are classed as grassland; consequently, the main farming activity is the raising of livestock that can use this abundance of grass. However, the Irish cattle industry is based on a rather extensive type of grazing, with returns per acre somewhat lower than in other countries—the Netherlands, Denmark, and Great Britain, for example—where grasslands management has received more consideration.

It is quite possible to increase Ireland's pasture productivity, with very limited use of fertilizer. Some of the better pastures are already producing 450 pounds of beef per acre, and experiments have shown that this can be raised to 560 pounds.

The main dairy areas lie to the south and west—largely in the counties of Cork, Kerry, Limerick, Tipperary, Waterford, and Kilkenny. Traditionally, the cattle have been shorthorn, dual-purpose animals, though Friesians are slowly replacing them.

The dairy cow is the foundation of Ireand's cattle industry. The breeding practice is to procure enough calves of milking strain to replace the milk cows, but not to change numbers, and the remainder are mated mainly with Hereford and Angus for beef. (In Ireland there are only about 50,000 purebred beef cows.)

These southern and western counties are so involved in their dairy activities that they have limited facilities and feed for beef cattle. Over the years, a program has developed whereby the calves are sold to neighboring counties to be grown for a year or a year and a half, then are resold to the Midlands grazing areas, such as Meath, Westmeath, Kildare, Longford, and Carlow. In these counties they are either fattened for slaughter or grazed just long enough to be ready for export as feeder cattle (referred to as "stores" in Ireland) to Great Britain.

The number of cattle exported varies considerably from year to year. However, the change in the numbers of

those slaughtered is much greater. Before World War II, slaughtered cattle ranged between 40,000 and 60,000 head. Last year the number reached 470,000 head.

Great Britain always has been and continues to be the best market for Irish beef—both for live animals and meat. The meat trade fluctuates, but in 1961 Irish beef and veal exports to Britain totaled nearly 90 million pounds, or almost three times the average for the previous 3 years.

Recently, too, Ireland has developed a substantial meat trade with the United States. In some years the United States buys more beef from Ireland than Great Britain does; and in 1961 its purchases of both fresh and frozen beef mounted to $21.6 million. Ireland is also an important supplier of beef for the U.S. Armed Forces in Europe, and is developing larger outlets in Germany, Italy, and other European countries, as well as in Venezuela.

Great Britain takes most of Ireland's live cattle exports, and this trade falls into two categories—those sold as "fats" for direct slaughter and as "stores" that go to Britain for additional feeding. Today, because of winter feeding and improved pasture and livestock management, increasing numbers of Irish cattle are being shipped for immediate slaughter. There has also been a growing demand for leaner meat.

There is still a very strong market for feeder cattle—mainly because of the British subsidy system, which guarantees a price for fat cattle. The difference between the guaranteed price and market price is paid to the British farmer as a subsidy.

Irish cattle that have been kept in the United Kingdom for 3 months or more are eligible for this subsidy payment; consequently, it is often advantageous for the British farmer to hold Irish cattle for at least this period.

As long as British cattle guarantees continued on the present basis, a strong demand for Irish feeder cattle will exist. Ireland's present program of bovine tuberculosis eradication, which is aimed at having the entire country declared "attested," or TB-free, should give the country broader acceptance in other markets.

Ireland does have an advantage, for it is able to sell beef at prices that are competitive in European and American markets. In 1961, of the 10 leading meat producers, only Uruguay and New Zealand could offer beef at lower prices than Ireland.

Few if any of the Irish cattle will grade "prime" or "choice." Some qualify as "good," but the majority are "commercial" or "utility." Usually they are carrying as much flesh as is desired in most of the markets where they are sold. The conformation is reasonably good, considering that the steers are usually a cross between milking short-

Above, a U.S. Armed Forces veterinary technician inspects and stamps a side of beef. Below left, meat packers with electric saws ready carcasses for export. The United States and Britain are top buyers of Irish beef.

Despite its expanding meat trade, Ireland continues to export cattle in large numbers. Britain takes most of them, either as "fats" or "stores."

horn and the beef Hereford or Angus.

Future Tied To Dairying

This brings me back to the question of the Irish beef industry's future.

Certainly there is a good potential market for Irish beef. Ireland has requested membership in the Common Market, since its economy is so tied to that of the United Kingdom that it is assumed the country will be best served by joining the Market. Within the Market the long-term prospects for beef are good. Even if Ireland does not enter this economic community, there is every indication that it is in a position to compete for a reasonab'e share of the world's beef trade.

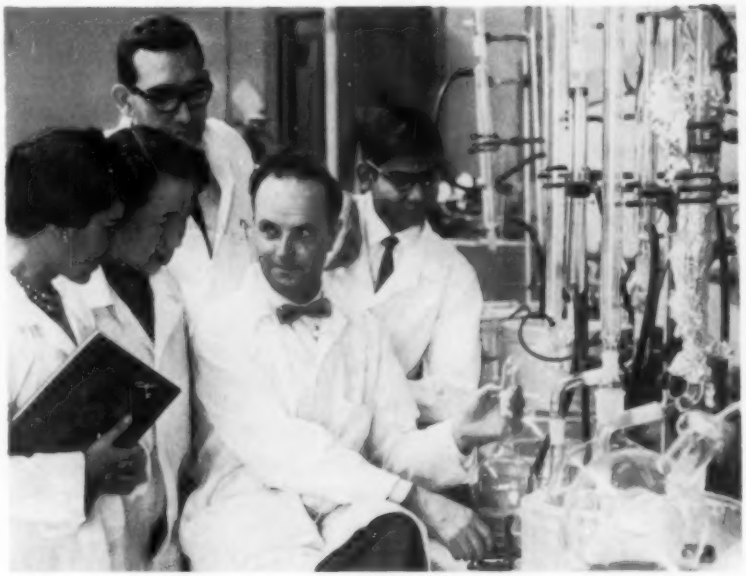
On the other hand, it is necessary to examine a few of the factors and relationships on the production side.

Ireland is a small country, and its industrial development is still limited. Its population has been declining for many years, and the Irish Government envisions intensified agricultural production as a means of slowing up emigration. However, a beef industry is an extensive type of agriculture, so that any shift to a strictly beef program would drastically reduce the number of farmers and mean lower returns per acre.

Therefore, it seems to me that Ireland's beef industry will continue to be linked to its dairy industry. Grass is the basis of Ireland's agricultural economy, and even under present prices, dairying gives the best returns per acre of any grazing enterprise.

A combination dairy and beef program has the advantage of permitting adjustment to market demand. To the extent that dairying continues to be profitable, the beef program will remain about the size it is now, increasing slightly in some years and falling off in others, depending on prices. But if dairying should become considerably less profitable and dairy cattle numbers were reduced, sheep numbers would probably be increased rather than those of beef cattle, for under most Irish grazing conditions sheep bring in a better per acre return. Actually, no such change is expected. The dairy cow will remain what it always has been—the basis of the country's agricultural economy.

Columbia University Institute Provides International Training in Nutrition



In an intensive 1-year program at Columbia University, 42 students from 22 nations are mastering techniques of combating malnutrition. At the end of the course, the students, each having earned a Master of Science in Nutrition degree, will return home.

The returning home is an important part of the program. The Institute of Nutrition Sciences, this international graduate school, asks each student to promise to go back home when finished. "Only if they practice throughout the world will the Institute really fulfill itself," explains Dr. William H. Sebrell, Jr., Institute founder-director.

Clinical laboratory and field research are combined. Courses include disease diagnosis, agriculture, international economics, nutritional biochemistry, and food technology.

Now in its fifth year, the school is still housed in temporary quarters across the street from Columbia-Presbyterian Medical Center.

A $78,000 scholarship fund finances the education of many of the Institute's participants. Most of this money was provided by members of the American food industry, who see the Institute as a means of assuring trained people at the receiving end when U.S. food aid arrives.

Above, a faculty member shows students a method of drying blood serum. Top, he demonstrates a way of measuring the Vitamin A content of serum. Lab work like this is combined with lectures and field research in the Institute's program.

Sugarcane grows thickly on this terraced Madeiran hillside. Three centuries ago, sugar was the island's sole export. Now, with foreign sugar cheaper, some sugar-bearing land may be switched to other crops.

Photographs from Casa de Portugal and Frank W. Ehman

Madeira: Island Farming in the Atlantic

Very little but natural beauty is indigenous to Madeira. Its principal products—grapes for wine, sugar, and bananas—all originated somewhere else. Even its people.

When João Gonçalves Zarco rediscovered the islands of Madeira about 1420 (they had been discovered much earlier by the Phoenicians and Genoese), he found 4 islands, 2 of them only rock formations. Largest of all was Madeira, a lovely island with shores rising abruptly to a central mountain range, its peaks hidden by a cap of clouds. The island was almost completely covered by forests and quite uninhabited, as were the others.

Promptly settled by the Portuguese, a large part of the land was cleared of its impassable forests by setting a fire which it is said burned for 7 years. Grape vines, from which came the famous Madeira wine, were brought in from Cyprus, or Crete, in 1420. Sugarcane was introduced in 1452 from Sicily, and around 1500, the Portuguese brought dried banana roots from Africa, thus giving the island what is now its most valuable product and export. Since then, Madeira has remained Portuguese save for two short periods of British occupation.

Set in the Atlantic about 400 miles off the coast of Morocco, Madeira's 300-square-mile area is in the latitude of Savannah, Georgia. One-third of its 300,000 population lives in Funchal, the capital city.

Most Madeirans are farmers. Few own the land they cultivate, though they own the walls, the trees, and the neat whitewashed and red-tile-roofed houses which dot the countryside. The tenant usually pays one-third or one-half of his produce to the landlord. He works from dawn to dusk and his natural possessions are meager.

Though orchids grow wild in the subtropical climate and fertile soil, farming itself is done under severe handicaps. Agricultural output is small and painfully come by. Most of the 60,000 acres now under cultivation are on hillsides covered with terraces built laboriously by hand. Stone walls laid 4 to 6 feet high without mortar form the terrace front, while the rich, reddish-brown soil, made by mixing decayed volcanic rock and vegetable matter, is worked by hand.

The cultivated land, which is about one-third the total area, forms a belt around the island from sea level up to about 2,000 feet. The other two-thirds is divided almost equally between standing timber and bare rock, or wild pasture on the mountain tops.

There are about 30 to 40 inches of rainfall between November and March, but little during the rest of the year. The islanders have tapped the ample water supply in upland springs by building a highly ingenious irrigation system of small canals, or flumes, which network the mountainsides. During the long dry season each farmer is permitted to open the conduits onto his land at a certain time, then must close them to let the water go down to the next farmer's land.

Farming is largely subsistence. The principal crops are grapes for wine, sugar, bananas, and a variety of fruits and vegetables similar to those grown in other subtropical climates. Bananas have become the most important export in terms of value and these go almost entirely to Portugal. The fine Madeira wines go almost entirely to the Scandinavian countries. Onions and potatoes are exported to the West Indies and Portuguese West Africa; some vegetables go also to Continental Portugal where they have an early season advantage.

While there is some acreage in wheat, corn, barley, oats, and rye, and the quantity may be increased to a certain extent, Madeira will undoubt-

edly continue to import wheat, and corn for feed. At the moment, the island now imports about 20,000 tons of wheat annually from the United States, and the same amount of corn from neighboring Angola.

Madeira's only other current import of any size is about 1,000 tons of sugar per year. This import will probably increase because high support prices to growers make foreign sugar cheaper. Indications are that the government may substitute other crops on some acreage now devoted to sugarcane.

Sugar was Madeira's sole export until the end of the 17th century, when it was supplanted by Madeira wines. Portugal, in 1663, gave Madeira the wine monopoly to supply English ships and colonies and the Madeirans promptly turned to wine-making. At first, Madeiran wines were plain table wines to be consumed within 18 months; they went largely to North America, the West Indies, and India. Then during the Queen Anne Wars, ships failed to touch the island and the islanders started to concentrate on making better wines involving careful selection, blending, and aging.

Aside from the processing of wine, sugar, and butter, and a small amount of tomato canning, there are only two other industries from which the Madeiran derives income. The women do very fine hand embroidery of linen and organdy sent from Switzerland and England; the men weave chairs and baskets from osier cane.

The island has few basic resources outside of the hard-working Madeiran himself, and there is little possibility of perceptibly greater productivity to provide better living conditions. A rather high percentage of the able-bodied workers, therefore, are leaving the island for Brazil, Venezuela, and the Republic of South Africa. The strongest prospect of higher island income comes from the growing number of tourists coming to this "Island of Flowers" in the Atlantic.

This is the second of three articles on island agriculture, and is drawn from a report on Madeira by Frank W. Ehman, former U.S. Agricultural Attaché at Lisbon. The first article—on the Cook Islands—appeared in February; the next—on Zanzibar—is scheduled for the July issue.

Above, Attaché-Author Ehman on left, is shown some of the beautiful orchids for which Madeira is famous. With him in the botanical garden is Gilberto Homen da Freitas, Director of the Estacao Agrária.

A Madeiran peddles onions at right, while others, below, work at basketry, a home industry which gives the island's rural people additional income.

New International Wheat Agreement Increases Minimum and Maximum Prices

A new 3-year International Wheat Agreement goes into effect August 1 for the 1962-63 wheat crop. This is the fifth such agreement among the world's major wheat exporters and importers to carry on trade among themselves within an internationally agreed-upon range of prices.

Minimum and maximum prices went up 12½ cents a bushel and the language of some of the provisions was improved; otherwise, the Agreement is substantially the same as the currently operating 1959 one.

Two important 1959 innovations were retained: The provision for annual reviews of the world wheat situation by the International Wheat Council, administrator of the Agreement, and the requirement that member importers buy a minimum percentage of their total commercial wheat from member exporters. Earlier Agreements had required a set amount of trade when prices were within the IWA range.

The new pact was negotiated at Geneva under United Nations auspices last February and March. The Soviet Union took an active part in the negotiations for the first time this year. In all, 10 exporting and 38 importing countries participated. When those holding two-thirds of the exporters' and two-thirds of the importers' votes signed, the Agreement went into operation. Other countries can join during the pact's 3-year tenure.

On the average, importers will purchase 81 percent of their wheat from member exporters. This figure, arrived at on the assumption that the USSR will join, is considerably higher than the 70 percent subscribed under the 1959 treaty—but will be reduced if any one of the exporting countries leaves the pact. These percentages were set by the importers during the conference. Exporters are expected to provide enough wheat to fill importers' commercial requirements when prices are within the range set by the IWA.

From 1954-55 through June 1961, world wheat prices stayed about midway between the minimum and maximum set for IWA sales. In the last year, however, prices of high-protein wheat have been nearer the IWA maximum, and supplies of these higher quality wheats were short. Both the higher world prices and the shorter supplies were important factors in the negotiations resulting in an increase from the 1959 range of $1.50 minimum-$1.90 maximum per bushel (for No. 1 Manitoba Northern wheat in bulk in store at Fort William/Port Arthur) to the 1962 range of $1.62½-$2.02½ for the same basic grade and storage point. Prices are adjusted for other grades and basing points.

In 1960-61, nearly 40 percent of the total world trade in wheat consisted of commercial sales by member exporters to member importers, subject to IWA rights and obligations. Members were involved on at least one side of all but 7.2 percent of the year's wheat transactions, both commercial and otherwise.

In the United States, the Commodity Credit Corporation offers export payments in kind on wheat and in cash on flour. These payment rates are announced daily by the CCC and apply to sales registered with it, whether or not they go to IWA countries.

This country is an active member of the International Wheat Council, represented on the Executive Committee, the Advisory Committee on Price Equivalents, and all the principal subcommittees and working parties. In 1960-61, the Vice Chairman of the Council was from the United States. Under the 1962 Agreement, it holds 290 of the 1,000 votes allotted to exporter members. In 1959, it held 339 but there were then 9 exporters instead of the present 10. (There are also 1,000 votes distributed among the importer members.)

The 1962 treaty has the support of the National Association of Wheat Growers, Great Plains Wheat, Inc., Western Wheat Associates, all three major U.S. farm organizations, the principal cooperative and trade associations of the country.

Morocco's New Farm Tax Exempts Mass of Farmers

To ease the small farmer's tax burden and provide production incentives, Morocco's agricultural tax system—new this year—has switched the basis for tax assessment from output to potential farm income. This includes estimated production capacity of farmland per acre and of fruit trees, and gains from livestock.

By exempting the first $277 of farm income, it is estimated almost 90 percent of Moroccan farmers will pay no agricultural tax. About 7 percent of the farmers liable to taxation will pay less than before, and about 3 percent will pay more.

The new levy ranges from 7 percent to 16 percent on yearly farm income in excess of the $277 figure and will be only a fraction of the income an industrious farmer might expect from his land and livestock. The tax rate will go down as the farmer approaches or exceeds the full potential from his land. The "bonus" for productivity should provide a needed stimulus.

An important part of the government's program for broad fiscal reform, the new agricultural tax system replaces a long-standing and increasingly controversial tax called *tertib* under which the tax on crops and livestock went up as production gained. The *tertib* not only discouraged expansion, but was hard on the large number of small farmers on low-yielding land. *Tertib* administration had also become overcomplicated.

Administration of the new tax will necessitate a new cadastral survey reaching into every rural community. Until this can be completed, information drawn from the annual census, formerly made to fix the rate of *tertib*, will be used to identify farm owners and evaluate the potential output of their holdings on the basis of area and quality of land, water supply, type of crops, and average yields.

The new tax will probably provide considerably less revenue to the state than the estimated 5 to 6 percent of total annual domestic income brought in by the *tertib* method of taxation. It is hoped increased agricultural productivity will make up the loss.

THE FOREIGN MARKET For U.S. Poultry and Eggs

By WILLIAM L. SCHOLZ
Dairy and Poultry Division
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U.S. poultry and eggs, like many other U.S. farm products, have one big questionmark—the Common Market—hanging over their export prospects, for Western Europe has been their principal customer since 1956. Perhaps the only way, as yet, to speculate on the future of these exports is to look at what has made them successful in the past.

The poultry and egg industry is our third largest cash farm income earner (after livestock and dairying), yet only in recent years have its products become important in our export trade. The average annual value of U.S. poultry and egg exports in 1951-55 was about $33.8 million. Since 1955, there has been a steady annual increase, and in 1961 a record $93.8 million worth was shipped abroad. The largest share of this was commercial sales through regular trade channels without government aid. What have been the products and the trends in this trade?.

For the increase in total export value, *poultry meat* has been primarily responsible. In 1957, it made up about 40 percent of total exports; in 1961, 70 percent.

The popularity of U.S. poultry abroad can be attributed to the industry's ability to provide an excellent product that can be competitively priced in foreign markets. Other reasons: The convenience of preparation offered by fully eviscerated, ready-to-cook birds; increasing attention abroad to low-fat, high-protein diets; and the excellent finish of frozen U.S. poultry. Fresh frozen U.S. poultry was introduced to Western Germany in 1956 through sales for deutschmarks under a Public Law 480 agreement. Since then, our main market for *frozen chickens* has been Western Europe. Germany, Switzerland, and the Netherlands imported 152.8 million pounds of U.S. frozen chickens in 1961—almost two-thirds of our total fresh and frozen chicken exports.

But we should not lose sight of other important market areas where our poultry sales have been growing even faster. The British West Indies have shown a steady increase in takings and have topped Canada as our primary chicken-meat market in North America. Hong Kong, a price-conscious market, is our largest frozen-poultry customer outside of Western Europe, taking principally poultry parts. Ghana, Liberia, and Nigeria now constitute a million-pound market in West Africa.

Exports of U.S. turkey meat have shown a similar increase. Canada's import quota has caused some loss of business, but that has been more than offset by increased sales to Western Germany and smaller markets.

Exports of *shell eggs* for consumption have shown a marked decline recently. Venezuela, though still our primary market, is rapidly approaching self-sufficiency in egg production, and our shipments there have fallen from 9.8 million dozen in 1960 to less than 3.4 million dozen in 1961. This meant a 46-percent decline in the total value of these egg exports.

The top market for U.S. *dried eggs* is Western Europe; the United Kingdom and Western Germany take about three-fourths of our annual exports. This product, which needs no refrigeration, has acquired a firm commercial footing abroad. However, total U.S. exports in 1961—about 5 million pounds—were down somewhat from the year before and less than half as large as in the early 1950's. *Frozen eggs*, on the other hand, have shown a gradual export increase each year, and 1961 shipments were valued at over $1.5 million. There is every reason to believe that as foreign consumers learn about the versatility of frozen eggs, this uptrend will continue.

Often neglected in a summary of the U.S. poultry industry's foreign shipments are exports of *baby chicks* and *hatching eggs*. The quality of U.S. poultry is due in large part to selective breeding and the development of specialized birds bred for meat or egg production. Aware of this, many countries working to develop their domestic poultry industries look to the United States as a source of foundation stock. Exports of hatching eggs have shown a steady increase; they reached a record value of $9.3 million in 1961, $700,000 more than the combined export value of shell eggs for consumption and processed eggs that year. In 1961, exports of baby chicks were valued at $6.9 million, a record high and the third consecutive increase registered.

Further increases in U.S. poultry-products exports will depend on solutions to a number of problems. As many of the world's poultry exporters develop ready-to-cook frozen poultry of high quality, competition will become keener. Trade barriers exist in many potential markets, and the Common Market's trade policy threatens U.S. exports with increased duties and fees. Although great strides have been made in increasing frozen-storage facilities around the world, there is still

need for expansion. Tastes and eating habits overseas must be studied, and U.S. products must fit into local patterns if exports are to be expanded in the Near and Far East and Africa.

U.S. Hatching Eggs, Chicks Far Ahead in World Markets

With record exports of baby chicks and hatching eggs in 1961, the United States continued to dominate the world market. Its principal competitors, the Netherlands and Canada, were not even close.

Over 90 percent of U.S. exports of chicks and hatching eggs still go to the Western Hemisphere. In 1961, Canada imported 7.8 million U.S. chicks. (Its 1952-55 average was 195,000.) Mexico was next largest with 1.5 million, and Guatemala followed with 1.1 million. Venezuela led importers of hatching eggs with 4.6 million dozen; Canada was next with 2.7 million dozen.

The record chick exports of 25.5 million in 1961 were all the more remarkable in view of the diminished Cuban market, which had accounted for 5.6 million the previous year. Mexican and Venezuelan purchases, too, have been going down in response to government import duties.

Biggest markets outside the Western Hemisphere in 1961 were Spain, Italy, and West Germany. Spain and Italy each took close to a million chicks. Italy also imported 292,000 dozen hatching eggs and West Germany 222,000 dozen. These markets have developed since 1959. Italy began by taking hatching eggs mostly for broilers; it now stresses egg-laying strains. West Germany has done the reverse.

With air express shipping of both chicks and eggs down to a fine art, U.S. poultry breeders were able to send baby chicks abroad to 64 countries in 1961 and hatching eggs to 38 countries. Eight years previously baby chicks were going to only 30 countries, and exports of hatching eggs to very few. In 1961, shipments went as far as Iraq and Jordan, Nigeria, Liberia, and Ghana. Worldwide interest in increasing poultry production will probably continue to boost U.S. sales of baby chicks and hatching eggs.

1961 Green Report Shows Progress And Problems on West German Farms

The seventh Green Report on the situation of West Germany's agriculture, submitted to the German Federal Assembly earlier this year, pointed out that West German farmers have continued to cover a large share of the country's food needs. However, both the Report and the 1962 Green Plan for farm assistance stressed two continuing problems: The decrease of the farm labor force and the income gap between farm and nonfarm workers. Since the Common Market has no joint measures to improve farm income position, the German Government feels obliged to continue its support of German agriculture's efforts to do so.

Green Report Highlights.—Mainly owing to unfavorable weather, gross crop production declined 11 percent in 1961, though livestock yields moved upward with the trend of the past decade. Yet, despite a thumping population increase and a general rise in per capita intake, West German farmers have held their contribution to total food consumption (excluding imported feeds) relatively constant at about 70 percent. For individual products, the degree of self-sufficiency has shifted markedly upward in recent years. Of whole-milk consumption, 100 percent is now accounted for by domestic output; of rye consumption, 99 percent; and steady uptrends have occurred in wheat and sugar. But for poultry meat, self-sufficiency declined.

Since 1950, West Germany's farm labor force has been on the decline. While nonagricultural workers increased from 15.0 million to 21.7 million, agricultural workers decreased from 3.9 million to 2.4 million, and now account for 10 percent of the total number of persons employed instead of 20. West German farm owners are trying to adjust to this tight labor market by substituting money for manpower. Statistics on construction of farm buildings, purchase of farm machinery, and changes in livestock inventories show increased capitalization in recent years. In 1960-61, about 24.4 percent of the gross agricultural product was spent for investments. Thus, for the first time, the rate of investment in agriculture approached that of the rest of the economy.

The shrinkage in the labor force resulted in an 11-percent increase in net per capita farm income in 1960-61. Yet there was still a large disparity between farm and nonfarm income, due mainly to the small 1961 feed crop and to a constant increase in nonfarm wages. Within agriculture, too, there continued to be a considerable income disparity, resulting from the uneven distribution of labor and the varying sizes of farm units.

Green Plan.—Because the farm-nonfarm income gap not only was not reduced in 1960-61 but is expected to widen still further this year, Green Plan funds have been set considerably above previous ones—$515 million, against $388 million in 1961, $368 million in 1960, and $335 million in 1959 (U.S. $1 = DM4).

Continuing a 3-year trend, long-term development programs occupy a larger share—now 53 percent—of the total appropriation. This includes 42 percent for improvement of farm structure, with such items as land consolidation, pension programs, irrigation, road improvement, rural electrification, research, training, and extension subsidies. Credit subsidies have been raised from 4 to 11 percent.

Short-term expenditures now account for only 47 percent of the total. Though the share set aside for milk subsidies is smaller, the amount involved has increased from $106 million to $109 million—a record. This increase was necessary to maintain the German milk subsidy rate. Fertilizer subsidies, originally planned for 3 years, were considered to have reached their goal of expanded fertilizer application and greater labor productivity. However, the program is being continued (though at a lower rate) because of the relatively poor income situation in 1961-62 on German farms.

Prepared by Alexander Bernitz, Regional Analysis Division, Economic Research Service, on the basis of a report from the office of the U.S. agricultural attaché, Bonn, Germany.

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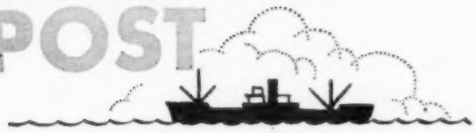

Liberalization of Farm Products Shows A Gain

Since the beginning of the year, a number of countries have acted to ease the entry of foreign agricultural products. These were some of the actions that they took:

The Government of Chile removed the 5-percent surcharge on purebred cattle for breeding. Slaughter animals can now enter Greece with an 11 percent ad valorem duty instead of the old 15-percent charge.

Austrians will be able to eat more imported frozen vegetables, puffed rice, cornflakes, apples, and pears because of liberalization. Denmark dropped the duty on fresh cranberries. Germany increased its quota on hybrid seed corn and Italy, on honey and linseed and soybean oils. The Lebanese Government no longer requires import licenses for rice nor does the Swedish Government demand them for the dried egg whites that it buys.

Mexican Citrus Recovery Not Expected Until 1967

U.S. citrus exporters will meet with little competition in Canadian and European markets from Mexican fresh citrus or orange juice during the next 5 years.

The eastern citrus areas of Mexico suffered a heavy freeze this past January. All of the State of Nuevo León and most of Tamaulipas were affected. These States contain about half of Mexico's planted area, and even more important, produce all of its orange and tangerine exports.

Full recovery is not expected until 1967, and consequently, Mexico will be shipping little citrus abroad during this period. It is also possible that it may import more U.S. oranges during the 1961-62 season. In the past, Mexico has sold the United States about as many oranges as it has bought from this country, mainly from California.

P.L. 480 Tobacco Sales Exceed 331 Million Pounds

More than 331 million pounds of U.S. tobacco have moved overseas in sales for foreign currencies under Public Law 480 since the program's inception in July 1954. The sales value totaled some $242.2 million.

The United Kingdom bought a lot of Title I tobacco in the early years of P.L. 480. Though it is strictly a dollar customer now, no other country has equalled the 52.9 million pounds of tobacco—$38 million worth—the U.K. purchased under P.L. 480.

Spain was second with 34.3 million pounds, followed by Indonesia 27.9 million, Vietnam 26.2 million, and Italy 26.1 million.

LAFTA Tariff Action Hurts Argentine Livestock Exports

The Latin American Free Trade Area (LAFTA) got off to a poor start as far as Argentine meat producers are concerned.

In the LAFTA tariff lists now in effect, Argentine imports of iron and steel sheets from Chile carry a new 30-percent duty, although they had been coming in duty-free prior to LAFTA under concessions granted by Argentina at the end of 1958. As the result of this action, Chile has imposed a 30-percent duty on beef imports and one of 14 percent on live animals from Argentina.

This move has reportedly cut off Argentine beef exports and seriously reduced sales of steers to Chile. Argentina shipped 138,000 steers to Chile in 1960—mostly dairy-type animals from Córdoba and western provinces. Beef exports to Chile totaled about 6,000 tons in 1960.

Peru has also placed an additional tax on Argentine meat imports in reprisal for an additional duty on Peruvian copper imports imposed by Argentina under LAFTA.

Mexico Still No. 1 Market For U.S. Breeding Cattle

Mexico has retained its position as the leading export market for U.S. beef breeding cattle by purchasing 62 percent of last year's shipments. Canada ranked second, taking 18 percent, while Venezuela took nearly 6 percent.

Herefords were in greatest demand, accounting for 51 percent of total exports. Brahman represented 20 percent, Aberdeen Angus 14 percent, and Santa Gertrudis about 9 percent.

Texas continued as the leading cattle export state, with 54 percent of the U.S. total, followed by New Mexico, Arizona, and Florida.

Ceylon's Trade Shows First Surplus in 5 Years

Ceylon has halted the decline in its gold and foreign exchange holdings and restored a favorable balance of visible trade.

Trade deficits averaged $25.7 million a year in 1956-60. In 1961, both imports and exports were down but the import volume fell further and there was a $6.2-million surplus.

Gold and foreign exchange holdings hit a record high of $221 million in 1956, and then started a steady decline, arriving close to $90 million at the end of 1960. Stringent tariff, quota, and credit restrictions have held the line since then.

Italy's Olive Oil Output Down, Greece's Way Up

Italy's foreign trade in olive oil is expected to be lower this year, with both imports and exports falling below last year's levels.

Although the availability of olive oil from current production and imports will be well below that of last year, the consumption level of edible oils is expected to be maintained by a reduction of stocks and an increase in imports of seed oils and oilseeds.

Greece's 1961-62 edible olive oil production is estimated at about 250,000 short tons—an alltime record and nearly three times the 1960-61 level. Exports have not yet been significant during the 1961-62 marketing year. Most of the increased output will go to displace imports and build stocks.

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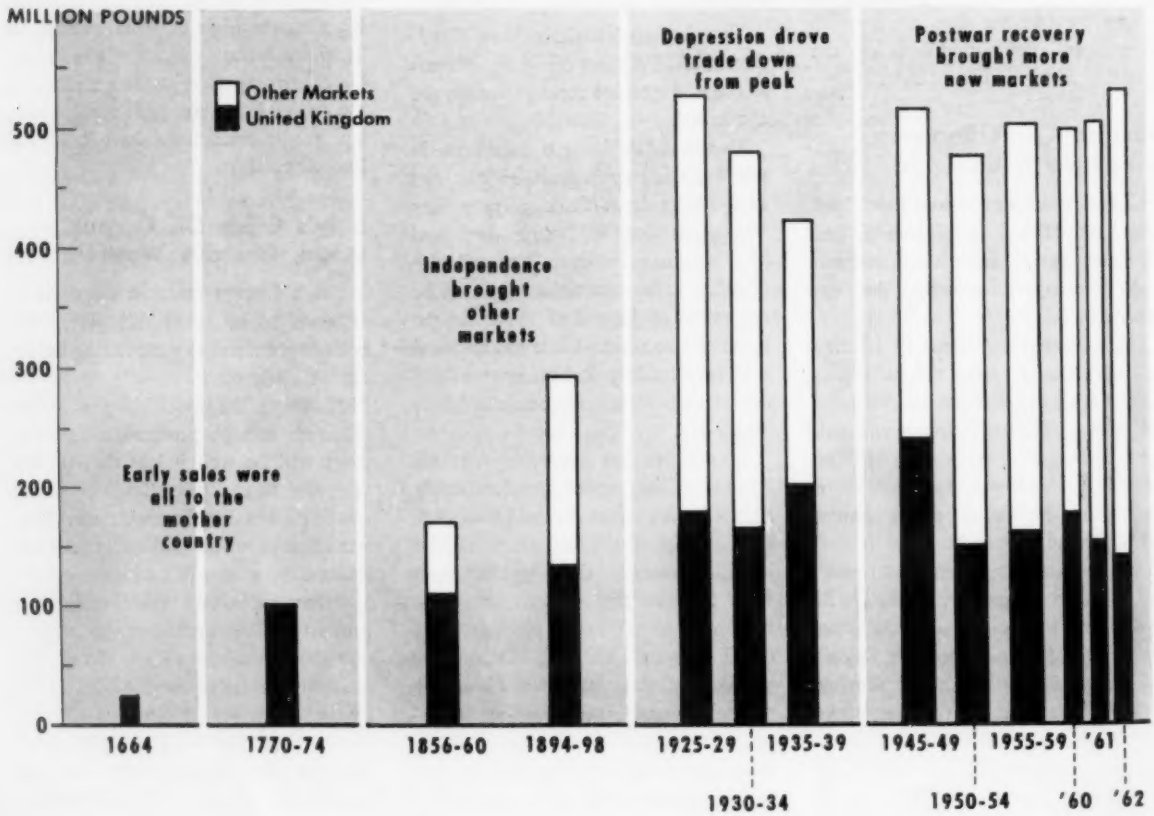
from colonial days to the present time